

HANDBOOK OF INSTRUCTIONS

For Food Service Personnel

**Prepared by
Nebraska Food Distribution Program
Revised 7/2003**

UNITED STATES DEPARTMENT OF AGRICULTURE

Food Distribution Program

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WATTS Line 800-223-0058
24-hour prerecorded message

Food Distribution Program
Nebraska HHS Services
P.O. Box 95044
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Introduction

The Nebraska Food Distribution Program has compiled this Handbook of Instructions to help provide answers to your questions regarding distribution, utilization, and storage of United States Department of Agriculture foods. Use of the Handbook will help to ensure that Recipient Agency Food Programs are managed consistently with good management practices and in accordance with federal and state requirements.

This Handbook contains information, instructions, and procedures pertaining to the duties and responsibilities of the Recipient Agencies qualified to participate in the Food Distribution Program of the United States Department of Agriculture. It is essential that you keep this copy until you receive a revised one. This Handbook is to be considered part of your Agreement with the Nebraska Food Distribution Program office.

**THIS HANDBOOK IS TO BE KEPT IN YOUR
FOOD SERVICE OFFICE**

FDP ACRONYMS USED

ADP	Average Daily Participation
CACF	Child/Adult Care Feeding
CI	Charitable Institution
CNP	Child Nutrition Program
ECOS	Electronic Commodity Ordering System
FTIN	Federal Tax Identification Number
FDP	Food Distribution Program
PAL	Planned Assistance Level
RA	Recipient Agency
SA	State Agency
SCH	School
SFSP	Summer Food Service Program
TEFAP	The Emergency Food Assistance Program
SOC	State Option Contract
USDA	United States Department of Agriculture

GENERAL INFORMATION

United States Department of Agriculture

The United States Department of Agriculture (USDA) supplies the food items for the Food Distribution Program. This program was started in the early 1930's when it was recognized that agricultural surpluses needed to be taken care of and that it was necessary to provide food to needy individuals.

Today, specifications for the quality of commodities purchased by USDA are constantly updated. For example, in June of 1994, the USDA announced the School Meals Initiative for Healthy Children--a comprehensive, integrated proposal to ensure that the nation's children have healthy meals at school. From that, a comprehensive review of all USDA commodity specifications was recommended. The focus of that review was to determine whether further modifications could be made to reduce fat, sodium, and/or sugar levels. The culminating 1995 report "Improving USDA Commodities" reported that 23 commodities had been approved for modification; determination of the feasibility of developing new products low in fat had also been recommended. As a result, USDA began purchasing products which were lower in fat, sodium, and sugar and testing new products. Prune puree as a fat substitute is one such example.

The Fresh Fruit and Vegetable Project is another USDA commodity improvement initiative undertaken by the USDA for the school lunch program. Participating schools order directly from the Department of Defense from a product availability list. The project, which has been well received, has enabled schools to increase their offerings of produce to children and introduce them to new fresh fruits and vegetables.

All of these improvements reflect USDA's commitment to provide healthful, high quality products through its recipient agencies to the nation's children and low-income citizens. USDA's goal is to ensure that the nation's children receive commodities that promote their health, taste good, and will help meet the Dietary Guidelines for Americans.

USDA endorses the concept that there are no "good" foods or "bad" foods. The Dietary Guidelines recommend that people eat a variety of foods; choose a diet with plenty of vegetables, fruits, and grain products; and use sugar and sodium in moderation.

More than 200 different commodities are donated for distribution to the various food assistance programs. Entitlement and bonus foods are divided into two groups. Fruits, vegetables, meats, and poultry are known as Group A foods. Some Group A items are occasionally offered as a limited bonus. Group A foods are purchased through various divisions of the Agricultural Marketing Service to remove surplus farm products and also to meet the nutritional needs of the food program recipients. Purchases are made seasonally rather than continuously. Grains, oils, and dairy foods are Group B foods, although some of these foods are classified in the bonus category. Group B foods are purchased under price support authority by the Agricultural Stabilization and Conservation Service and are available on a year-round basis.

Section 32 of the Agricultural Act of 1935 authorizes the purchase and distribution of perishable commodities in order to remove surpluses and stabilize farm prices.

Section 416 of the Agricultural Act of 1949 authorizes the purchase and distribution of commodities for the purpose of supporting farm prices.

Section 6 of the Child Nutrition Act, as amended in 1975, provides appropriated funds for direct expenditures for agricultural commodities and other foods to be distributed to agencies participating in authorized programs. These food items are restricted to use only in public or nonprofit private schools/residential child care institutions, Summer Food Service, and Child/Adult Care Feeding Programs that participate in the National Child Nutrition Program. Section 6 also mandates a Planned Assistance Level (PAL) for participating agencies.

The Food and Consumer Service of USDA distributes the food nationwide to food distribution agencies designated in each state. Although the State Agencies (SA) and Recipient Agencies (RA) are periodically surveyed as to the acceptance and preference of the food, the final decision lies with USDA. Using technical knowledge and data collection services of USDA, the world's supply of food and crop yields are studied to determine what foods to

purchase. Congressional legislation decides the dollar value of foods to be made available each fiscal year to the various recipient agencies. Congress also has the authority to change the cents per meal to be issued, as per legislation passed in 1981.

Nebraska Food Distribution Program

The Food Distribution Program was developed to allocate and distribute foods purchased by USDA. This program has two basic goals: (1) to safeguard the health of children and other recipients through better nutrition and (2) to feed the needy by supplying foods needed to continue the operation of feeding programs.

The dollar value of USDA foods received by Nebraska is based on the current cents per meal or assistance level and the Average Daily Participation (ADP) for the previous year. This dollar value is adjusted annually and computed on the basis of five major food components in the Bureau of Labor Statistics Producer Price Index.

The Food Distribution Program requests USDA foods based on past usage data, surveys, and Nebraska's entitlement. The processor delivers the USDA orders by rail or truck, directly to the State Food Distribution Warehouse Center. Recipient Agencies are informed of shipments and allocations by newsletters, offering sheets, and WATTS line messages.

Agencies eligible for USDA foods are schools, child/adult care feeding programs, nutrition programs for the elderly, charitable institutions, summer food service programs, and summer camps. The USDA foods may also be used for mass feeding during times of major disasters.

Food items are distributed annually in Nebraska to approximately 450 school districts serving approximately 200,000 students daily.

Childcare facilities served number approximately 67, and 3,100 children are served daily. A few commodities on a limited basis are offered to Recipient Agencies participating in the FDP Summer Food Service Program; one delivery per summer is made to them.

Charitable institutions, for persons of all ages, in hospitals, health service institutions, institutions for persons with physical and mental disability, homes for aged persons, correctional institutions, and other eligible institutions number approximately 100.

The Food Distribution Program staff is here to serve you. Any time you have questions or concerns, please contact the Food Distribution Program office.

Reference Materials

To receive any of the following materials, contact the Food Distribution Program, HHS Services, P.O. Box 95044, Lincoln, NE 68509-5044, (402) 471-9244.

1. FOOD DISTRIBUTION NEWSLETTER—Printed and mailed directly to recipients.
2. WATTS LINE---800-223-0058—A prerecorded message that is updated weekly during the school year and bi-weekly during the summer months.
3. FACTS ABOUT USDA COMMODITIES—Available from USDA and providing the following information about the products: ingredients, pack size, yield, usage, storage, and nutritional values. (via internet)
4. HANDBOOK OF INSTRUCTION—Provides answers for RA's food service personnel to questions regarding distribution, utilization, and storage of USDA foods.
5. COMMODITY SPECIFICATIONS—Give guidelines the USDA follows when purchasing foods. (via internet)
6. USDA REGULATIONS—regulations, instructions and policies. (via internet)

Civil Rights Compliance

All agencies entering into agreements with the Food Distribution Program of Nebraska Health and Human Services must comply with, and shall in the future comply with, all requirements imposed by or pursuant to the Civil Rights Act of 1999, and the USDA Regulations (7 CFR Part 15), including any subsequent amendments issued to effectuate

that Act. Compliance will be consistent with the objective that no person in the United States shall on the grounds of race, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity of a recipient agency to which assistance is provided by the USDA. Admission policies are understood and agreed to be a part of such programs and activities by Recipient Agencies. Recipient Agencies agree to be obligated by this assurance as long as they receive assistance hereunder or retain possession of any assistance provided by the USDA or the State Distributing Agency. Should Recipient Agency fail to comply with this assurance, the United States or the State Distributing Agency shall have the right to seek its enforcement by judicial or any other means authorized by law.

Any termination of the Agreement for non-compliance with Title VI of the Civil Rights Act of 1964 shall be in accordance with applicable laws and regulations.

During the performance of the Agreement, the Recipient Agency agrees to comply fully with Title VI of the Civil Rights Act of 1964, as amended, and the Nebraska Fair Employment Practice Act, as amended, in that there shall be no discrimination against any employee who is employed in the performance of this Agreement or against any applicant for such employment, because of age, color, national origin, ancestry, race, religion, creed, disability, sex, or marital status. This provision shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Recipient Agency shall ensure that no qualified person with disability, on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity of the Recipient Agency. Further, the Recipient Agency agrees to insert similar provisions in all subcontracts for services allowed under this Agreement under any program or activity.

For specific program Civil Rights' requirements, see Exhibits 18, and 19.

Complaints

All food product and program complaints should be directed to: Food Distribution Program, Nebraska Health and Human Services, P.O. Box 95044, Lincoln, NE 68509-5044. Forms are available from FDP. (See Exhibit 11.) These forms must be filled out completely including contract number and lot number from the case.

With regard to Civil Rights complaints, it is the policy of the Nebraska Health and Human Services to not discriminate on the basis of race, color, national origin, sex, age, or disability. Any person who believes he or she has been discriminated against in the Food Distribution Program should write to: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410.

ELIGIBLE RECIPIENTS

Schools/Residential Child Care Institutions and Child/Adult Care Feeding Programs

Any public or nonprofit private school, any state correctional institution for minors such as training schools that are developed solely for the education and rehabilitation of minors, and any public for-profit with 25% Title XX or licensed nonprofit residential child care institution are defined as Child Nutrition Programs when they are receiving USDA-donated foods. Program eligibility is determined by the Nebraska Department of Education-Child Nutrition Programs. In Nebraska, the Food Distribution Program and the Child Nutrition Program are administered by different state agencies. The Food Distribution Program cannot distribute commodities to Child Nutrition Programs until their eligibility has been confirmed in writing by the Nebraska Department of Education.

A school or a residential child care institution may participate in the program as either a national school lunch program or a commodity-only program.

Schools and Residential Child Care institutions may figure their approximate commodity assistance level as follows: Average Daily Participation (ADP) x 175 days x cents per meal [determined by USDA] = Planned Assistance Level (PAL). Programs operating year-round are individually figured. The ADP for Child/Adult Care Feeding Programs includes evening meals, if applicable. Breakfast and snack data are not included in this computation; however, commodities may be used for these meals.

The dollar value of each food offered is shown on the Offering Request Form. PAL, the dollar value taken, and the remaining balance for each recipient agency are shown at the bottom of the Offering Request Form (Exhibit 4).

Bonus and non-countable foods do not count against PAL. More than the maximum number of cases offered may be ordered, provided they can be used without stockpiling or waste. Requests are honored based on availability.

ADP is adjusted annually at the beginning of each school year. It is based on the previous year's average reimbursable meal count. If a Child Nutrition Program's ADP increases by 20% or more, the following January the Recipient Agency may request, in writing, to have their PAL reviewed.

Summer Food Service Programs for Children

The primary purpose of the summer food service program is to provide food service to children from needy areas during periods when area schools are closed for vacation. Eligibility is determined by the Nebraska Department of Education, Child Nutrition Program. Allocations are based on cents per meal (determined by USDA) x the total number of meals served during the session.

Charitable Institutions

Charitable Institutions are categorized as:

1. Non-penal, non-educational public (federal, state, or local) institutions;
2. Nonprofit tax-exempt private hospitals; and
3. Other noneducational, tax-exempt, private institutions organized for charitable or public welfare uses, including but not limited to, homes for aged persons, homes for children, and the Meals-on-Wheels Feeding Programs. A copy of the letter showing tax-exempt status must be furnished to the FDP office. In this case, tax exemption means exemption from income tax under the Internal Revenue Code of 1939, as amended in 1954, Section 501(c)(3). Institutions will be considered noneducational even though educational courses are given, when such courses are for the primary purpose of the institutions.

The following persons are eligible to receive USDA-donated foods:

1. Persons financially unable to pay the full charges assessed for services provided them;
2. Persons eligible to receive a grant under the Federally Aided Public Assistance Program of Aid to Families with Dependent Children, or under any state or local general assistance program;
3. Persons eligible to receive USDA food assistance (Food Stamps) if that person was not an inmate of a Correctional Institution.

Adult correctional institutions are eligible to receive donated foods as Charitable Institutions, to the extent that needy persons are served, if they conduct rehabilitation programs. (See Exhibit 15.)

A Pre-award Civil Right's Compliance form must be completed by Charitable Institutions before eligibility is approved (Exhibit 19).

Program eligibility is determined by the Nebraska Food Distribution Program governed by USDA regulations.

The State of Nebraska receives an assistance level for Charitable Institutions based on eligible meals served during the previous year.

Title III--Nutrition Programs for Elderly Persons

These projects are conducted by recipients of a grant or contract under Title VII of the Older Americans Act, as amended, to assist in meeting the nutritional and social needs of persons aged sixty or older. Eligibility and funding of local programs is the responsibility of the Nebraska Department of Health and Human Services. Distribution of foods to the approved programs is available through the Nebraska Food Distribution Program unless the cash-in-lieu option is chosen. Special emphasis is given to USDA to provide high protein foods to these agencies.

Home Economic Classes

Students in regular home economic classes being taught food preparation, cooking, and serving may utilize **(at the discretion of the Food Service Director or Cafeteria Manager)** USDA foods for class instructional purposes provided the end products are not sold for money-making projects. A record of foods used must be shown on the inventory.

A la Carte

Schools may use USDA foods in a la carte sales provided they are participating in the National School Lunch or Commodity-Only Program and that such items are also available as components of a reimbursable meal and served only at meal time. All moneys made from a la carte sales must be returned to the School Lunch Program.

Disaster Feeding

Some USDA foods may be used during a major disaster for mass feeding to alleviate or prevent hunger or distress of persons directly affected by the disaster. Contact the Food Distribution Programs office prior to the use of any USDA food, as these foods are property of the federal government and use of said foods without prior approval constitutes an unauthorized use of USDA foods.

Commodity Usage outside the Eligible Meal Programs

USDA commodity foods must not be inappropriately used for activities outside the eligible recipient's food program. USDA's policy allows school food authorities to utilize commodities in the preparation and sale of foods for any school-related functions where the primary beneficiaries of the food are the students themselves. Funds derived from the sale of these commodities must accrue to the nonprofit school food service account to be used solely to replace the commodities or to operate or improve the nonprofit school food service operation.

OPERATIONAL TERMS AND PROCEDURES

Agreements

Recipient Agency will receive two copies of a permanent Agreement from the Nebraska Food Distribution Program. After completing, both copies are to be returned. One copy will be returned to the Recipient Agency upon approval. These Agreements (Exhibit 13 – 14) must be permanently filed at the agencies sponsoring office.

Yearly an update may be requested from this office. This update includes contact persons, phone number, and address.

These Agreements may be terminated by the Recipient Agency or the Nebraska Food Distribution Program by making such intentions known in writing not less than thirty (30) days prior to the proposed termination date. In the instance of suspected and/or established misuse of USDA-donated foods or funds, Nebraska Food Distribution Program or USDA may terminate the agreement immediately.

The Recipient Agency assumes full responsibility for administering and operating their program and for the proper accountability, utilization, and storage of the donated foods received. Each Recipient Agency should assign one person to handle all Food Distribution Program records. With the same person performing these duties, they soon

become familiar with all of the operations and procedures of the program. A second person should also be trained for these duties in case of the absence of the primary person.

Storage

Donated foods will be stored in accordance with standards established by the Nebraska Food Distribution Program or the commonly accepted standards of the warehousing industry. Recipient Agencies must, as a minimum, provide the following warehousing or storage capabilities:

WARNING: DO NOT STORE USDA FOODS IN PRIVATE HOMES.

1. FROZEN FOODS. Adequate freezer storage with accurate thermometers reading zero degrees Fahrenheit or below (-18 or below Celsius). **Internal thermometers must be checked daily.**
2. PERISHABLES REQUIRING COOLER STORAGE. Adequate refrigeration for all purposes, including thawing of frozen meats. Use extreme care in thawing and handling frozen foods. Accurate thermometers in refrigerators with temperature readings ranging between 32 and 45 degrees Fahrenheit (0 to 4 degrees Celsius). Internal thermometers must be checked daily.
3. ALL OTHER FOODS. Adequate dry storage, with accurate thermometers reading above 40 but below 70 degrees Fahrenheit (4 to 20 degrees Celsius). Temperatures are to be maintained by natural or mechanically assisted ventilation. Heat-generating equipment should never be placed in a storeroom and hot water or steam pipes must be well insulated.
4. SHELVING/PALLETS. Adequate pallets and/or shelving must be provided upon which to store the food in both dry and cold storage areas. The storage should be at least four to six inches from the floor, two to four inches from the walls, and two feet from the ceiling, with aisles between the stacks to provide for proper air circulation.
5. ROTATE STOCK. Use donated foods on a first-in, first-out basis. Place items with the most recent pack dates to the back and USE OLD PACK DATES FIRST. Pack dates must be marked on units with a black marker or grease pencil. All storage areas should contain adequate lighting to aid in the stacking and rotating of foods.
6. STACKING. Stacks should not be so high as to cause bursting or crushing of the bottom layers. All commodities should be cross-stacked to keep the stack solid.
7. SANITATION AND CLEANLINESS. Dry storage areas and freezer/coolers should be maintained in a clean and orderly manner.
8. PROTECTION. Protect the donated foods from insects and vermin with routine extermination treatments. All openings should be screened or plugged for rodent control. Thoroughly inspect and check the food frequently for signs of infestation and spoilage. **STORE ALL CHEMICALS, CLEANING SUPPLIES, ETC., SEPARATELY TO AVOID CONTAMINATION OR DAMAGE OF FOOD.** Protect foods from theft, pilferage, and physical damage by means of LOCKS on storerooms, freezers, and any other commodity storage areas.
9. STORAGE IN COMMERCIAL STORAGE FACILITIES. The Recipient Agency must have an agreement with any commercial storage facility utilized for storage, which specifies liable party. Liabilities are to include but not be limited to: losses due to theft, inventory shortages, contamination from improper handling and storage, water damage, fire, or mechanical failures (freezer breakdown). It is advised that you have an insurance plan that will cover any loss of food including food in commercial storage.
10. SUMMER/VACATION STORAGE. A good business procedure is to deplete existing inventory to the lowest feasible level to help avoid possible excessive loss over the summer months. Thermometers in freezers/coolers **MUST** be checked daily. (Exhibit 12).
11. GENERAL STORAGE INFORMATION AND MANAGEMENT. Adequate space is defined as sufficient space to accommodate all incoming deliveries. Food contained in torn sacks and broken cartons should be repackaged if in good condition; otherwise, it should be properly destroyed. Storage facilities are of little value if management practices are not followed that emphasize proper handling to avoid health hazards, save space, and make for ease in handling foods.

Offering Request Form

Schools and Child/Adult Care Feeding Programs receive a monthly Offering Request Form September through April (Exhibit 1) showing available foods for the following month, with the exception of the April Offering Sheet, which is for

August delivery. Summer Food Service Programs receive offering forms one time a year in May, for June delivery. Charitable Institutions receive an Offering Request Form as foods become available for them.

The Offering Request Form must be filled out completely, (Per Exhibit #). It is of vital importance that this sheet be received by the F.D.P. office by the date indicated. Late Offering Request Forms may not always be honored which results in a loss to a RA's food service program. Never request more food than your agency can use within six months to one year after receipt--less if the food is highly perishable. The quantity of USDA foods accepted can be controlled with proper inventory management.

Inventory records, foods on order, and menus must be considered when completing Offering Request Forms. This procedure ensures that appropriate amounts of food are requested and can be utilized in six months to one year, thus preventing spoilage or loss of food value.

Receipt of Foods

The Nebraska Food Distribution Program will designate carriers to deliver donated foods. Each fall, delivery schedules are mailed to all Recipient Agencies.

The Food Distribution Agreement with the carrier requires the food to be delivered inside the building.

ATTENTION POSTER (Receipt of Shipment) should be posted in the area where USDA foods are received (Exhibit 5).

Acceptance of Foods and the Bill of Lading

Bills of Lading (Exhibit 3) must be carefully checked against the food that is received at the time of delivery. REMEMBER, PROPER USAGE AND STORAGE OF USDA FOOD IS THE RECIPIENT AGENCY'S RESPONSIBILITY AS SOON AS THE BILL OF LADING IS SIGNED.

Do not sign the Bill of Lading until all foods have been checked for correct products, amounts, damage, contamination, and in the case of frozen items, thawing. Check internal temperature of product damp cases don't mean product is thawed. Count all items to determine that the amount delivered is the same amount listed on the Bill of Lading. In the case of a shortage, do not accept a different item to replace the short item. If a food item is not the same as listed on your Bill of Lading, refuse it and request that the carrier delivers the correct item. All substitutions must be approved by F.D.P. Recipients must accept any undamaged food products (i.e., do not refuse a 50-lb. bale of flour if only one 10-lb. bag is damaged; refuse only the contaminated bag). Mark the shortage or damage on the Bill of Lading, Block 4. (Upper left-hand corner). Credit for shortages/damages cannot be issued if not noted on original Bill of Lading.

Whenever a shipment is determined to be incorrect call FDP while driver is present.

After the Bill of Lading is carefully checked and marked for damages and/or shortages, the representative for the Recipient Agency must sign and date the Bill of Lading. The driver will leave a copy for the Recipient Agency's files.

Shortage or Damaged Foods and Claims

Shortages and damages MUST BE NOTED on the original Bill of Lading at time of delivery (Exhibit 3,Block 4) to activate the filing of claims against a carrier. When the original copy is not properly marked, it is impossible to collect claims against the carrier.

Damaged or out-of-condition food should be refused. However, when portions of a damaged case are accepted, note on the Bill of Lading the damaged portion not accepted. If you receive damaged items or frozen items that have been thawed, and the driver is reluctant to take them back, call the Nebraska Food Distribution Program at (402) 471-9244 while the driver is present.

The Nebraska Food Distribution Program will file claims for reimbursement against the carrier for shortages or damaged foods, storage, transportation charges and processing cost if applicable. Reimbursement will then be credited to the Recipient Agency's account after receiving credit from carrier, approximately 90 days.

Payment of Statements

A Billing Statement (Exhibit 4) will be sent to the Recipient Agency. Please do not make payment until this statement is received. Payment is due fifteen (15) days after receipt of statement. Return one copy of the statement with payment. Make all checks payable to Nebraska Food Distribution Program. Payments not received within 60 days may result in the interruption

FAILURE TO MAKE PROMPT PAYMENT MAY RESULT IN A LOSS OF FUTURE SHIPMENTS. (See "Financial Responsibility." Page 15)

Loss of USDA Foods

Loss of foods occurs through many ways, such as: theft, pilferage, damage, contamination, improper storage and/or handling, infestation, spoilage, etc. In case of insurance claims FDP can furnish values of foods lost.

USDA foods determined unfit for consumption must be disposed of in a prescribed manner. The container and contents must be disposed of separately. When destroying spoiled food, use a garbage disposal or pour bleach over it before burying, burning, or disposing through garbage routes. This avoids any misunderstanding if USDA foods are seen in the garbage and prevents use of contaminated food items by someone who believes it to be fit for human consumption.

Transfer of USDA Foods

RA's that are overstocked with donated foods may transfer to another eligible agency. The responsibility of delivery of USDA donated foods being transferred is between the agencies.

Preventive measures of overstocking are:

- (1) ORDER ONLY THOSE FOODS WHICH CAN BE USED BY YOUR PROGRAM,
- (2) REQUEST FOOD IN QUANTITIES ACCEPTABLE FOR PROPER UTILIZATION BY YOUR PROGRAM WITHIN SIX TO 12 MONTHS
- (3) USE THE USDA FOODS RECEIVED.

These procedures are rewarded with less costly, fresher, higher quality food and more attractive meals.

NO USDA FOODS OR FOODS CONTAINING USDA INGREDIENTS MAY BE SOLD, TRADED, OR EXCHANGED BY ANY ORGANIZATION WITHIN THE AGENCY FOR PURPOSES OF MAKING MONEY.

Empty food containers with USDA labels may not be taken for personal use unless labels are completely removed. Empty containers with USDA labels removed may be sold if money goes back to the lunch program.

Food Service Management Companies

Food Service Management Companies may be employed by Recipient Agencies to conduct and manage their feeding operations using USDA foods. A written agreement must be entered into and approved by the Nebraska Food Distribution Program. (See Exhibit 15)

USDA foods are distributed to Recipient Agencies for use in the Food Service Program for the eligible individuals of that agency. Any agency that is employed to prepare meals for another agency or organization must contact Nebraska Food Distribution Program to obtain guidance if USDA foods are to be utilized in those meals.

Processing Agreements

A processing agreement is a written document which authorizes a commercial food processor to convert USDA-donated foods into more convenient forms. Such agreements may assist Recipient Agencies in utilizing more donated foods, thereby contributing to the overall efficiency and effectiveness of their food service programs.

The Nebraska Food Distribution Program enters into statewide agreements and Recipient Agencies are given the opportunity to participate. The Recipient Agency may obtain end products by paying processing costs.

Individual agencies may enter into such processing agreements on their own for end products other than those provided in state contracts. All agreements must be approved by the FDP office. Records of amount of food diverted for processing and end products purchased must be maintained. Direct shipments of USDA ingredients may be made to processors; however, delivery may also be made from the participating agency's inventory on hand. The processor must assure that the USDA ingredients delivered to them are accounted for by appropriate number of end products produced and delivered to Recipient Agencies.

State Option Contracts (SOC) are processing agreements entered into on the federal level on behalf of the state distributing agencies. If there is sufficient interest for full truckloads on surveys, Recipient Agencies may participate in this program

Financial Responsibility

Recipient Agencies will be financially responsible for any loss of food due to their carelessness, negligence, or disregard for the proper use of the food in their possession. This includes handling and transportation charges incurred to transfer excess quantities to another Recipient Agency.

Recipient Agencies are responsible for charges incurred for warehouse storage, delivery, and or processing charges of USDA foods to their site. Failure to pay these charges within an agreed time limit will be cause for suspension or termination of USDA food use until the account has been settled to the satisfaction of interested parties.

Surveys

ACCEPTABILITY SURVEY

Bi-Annually an acceptability survey is sent to 100% of Nebraska's Recipient Agencies. Many commodity improvements have been direct results of information and suggestions provided by this survey. FDP uses this information when making the decision as to what foods to order.

STATE PROCESSING SURVEY.

Recipient Agencies are allowed the option of processing none, some, or all of specific commodity foods. The Food Distribution Program gathers this information with processing commitment surveys. THIS SURVEY IS A COMMITMENT SO IF YOU HAVE QUESTIONS CALL.

Inventory Reviews

INVENTORY REPORTS/STORAGE REVIEWS. Recipient Agencies may be required to conduct annual reviews of their storage facilities.

R E C O R D S A N D R E V I E W S

Maintenance of Records

All records pertaining to the receipt, distribution, utilization, and disposition of USDA-donated foods must be maintained on file for a period of three (3) years from the close of the federal fiscal year (September 30) to which they pertain for the purpose of state and USDA reviews. It is suggested that orderly records be maintained by establishing a file folder for each fiscal year to which records, correspondence, etc., pertain. Each year, pertinent forms and records that are in continuous effect (such as this Handbook of Instructions) should be stored in a three-ring notebook assessable to those working with the USDA Commodities. Recipient Agencies are to maintain adequate records of the following:

1. Eligibility. Contract with Nebraska Department of Education and/or Agreement with the Nebraska Food Distribution Program.
2. Offering Request Forms and Bills of Lading. (Exhibits 1 and 3)
3. Processing Commitment Survey.
4. FDP Newsletters.
5. USDA foods used in disasters.
6. Commercial storage agreement. (If applicable)
7. Food Service Management Agreement. If this service is used, a record of the foods released and quantity of end products received must be retained. (If applicable)
8. Processing Records. Invoices showing proof of eligibility for rebates on end products containing donated foods must be retained. Recipient Agency processing contracts and applicable records regarding end products received and units of food released from the agency's inventory must also be maintained.

Reviews

Recipient Agencies will permit authorized representatives of the Nebraska Health and Human Services and USDA to inspect, audit, and review all records, including financial records pertaining to the Food Distribution Program at any reasonable time without prior notice. The Nebraska Health and Human Services will conduct reviews on a minimum of twenty-five (25) percent of the participating Recipient Agencies each fiscal year. The Nebraska Health and Human Services will inspect and evaluate storage, records, and usage of USDA commodities. Representatives of USDA may also review Charitable Institution. Along with constructive suggestions, the evaluation will identify unauthorized use or misuse of USDA foods, improper storage, lack of record-keeping, and civil rights non-compliance, if applicable. A written response will be required for any items marked "Unsatisfactory." The main goals of a review are to improve the Recipient Agency's program, help correct deficiencies in the areas where needed, maintain regulation requirements, and continue the agency's participation in the program. The Reviewer may answer your questions pertaining to the program and provide helpful suggestions (Exhibit 12).

EXHIBIT FORMS

The following forms are used in the Nebraska Food Distribution Program. Food service personnel need to become familiar with these forms. Additional information received from this office should be filed as instructed.

1. Offering Request Form
2. Instructions –Offering Request Form
3. Bill of Lading
4. Billing Statement
5. Food Receipts "Attention" Poster
6. Commodity Complaint Form
7. Best If Used By Dates
8. Child Nutrition Program Agreement
9. Charitable Institution Agreement
10. Correctional Facility Schedule A
11. Summer Food Service Program Agreement
12. Child Nutrition Site Evaluation Form
13. Charitable Institution Civil Rights Requirements Memo
14. Charitable Institutions Pre-Award Review Instructions
15. Charitable Institution Pre-Award Civil Rights Compliance Review Form
16. Food Service Management Company Contract Stipulations Memo